

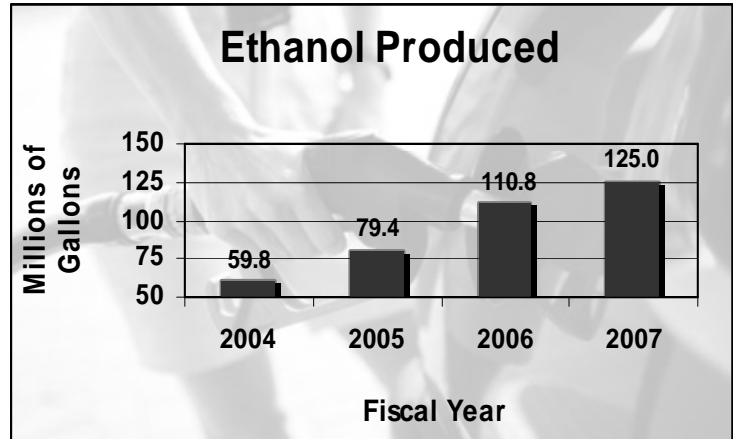
2007 / Fiscal Year 2008 Priorities

Full Funding for Missouri's Renewable Fuel Industry

In his third year in office, Governor Blunt is committed to fully fund both the ethanol and biodiesel producer incentive funds and to make back payments owed to Missouri farm families from the ethanol producer incentive fund.

Governor Blunt recommends:

- \$28.5 million for the Missouri Qualified Biodiesel Producer Incentive Fund to support biodiesel production payments, bringing total funding to \$33.8 million.
- \$6.4 million to the Missouri Qualified Ethanol Producer Incentive Fund to support ethanol production payments, bringing total funding to \$15 million.
- \$5.1 million to fulfill all commitments made in previous years to ethanol producers.



2007 Legislative Priority

Supporting Missouri Farmers' Right to Farm

Missouri farmers work hard to provide reliable food and renewable energy resources. As rural Missouri continues to grow, farming methods and operations are sometimes challenged by those who moved into a rural area without considering the everyday events of rural life. In order to protect Missouri farmers and our agricultural traditions, Governor Blunt supports a Missouri Farm and Food Preservation Act that protects farmers against agricultural nuisance lawsuits and other unwarranted impediments to farming operations.

2007 Legislative Priority

Enhancing Missouri's Agricultural and Small Business Development Authority's Tax Credit Program

The Missouri Agricultural and Small Business Development Authority (MASBDA) assists farmer-owned businesses in establishing successful value-added agricultural and other ventures. In 2007, Governor Blunt supports increasing the amount of tax credits issued under the Missouri Agricultural and Small Business Development Authority's tax credit programs from \$6 million to \$10 million.

A Renewed Commitment to Agriculture

“In the same way that Missouri farmers rose to a great challenge and fed the world in the last century, this century’s farmers will answer another noble calling and fuel America.”

- Matt Blunt

2006 Successes

The Missouri Renewable Fuels Standard Act

Governor Blunt is a strong supporter of Missouri farmers and Missouri’s renewable fuel industry. Missouri farmers and other investors are also starting to take interest in this growing industry. Missouri has four ethanol plants currently online, with another five in stages of design and construction. The first large-scale, commercial biodiesel plant is operational with three more in stages of design and construction.



In 2006, Governor Blunt signed House Bill 1270 which established the “Missouri Renewable Fuel Standard Act.” This legislation requires that most gasoline sold in Missouri contain at least ten percent ethanol, beginning January 1, 2008. All vehicles can run on E-10 without modification, and the market is growing for vehicles that can run on an E-85 blend. This standard will provide a boost for Missouri’s farmers, rural communities, and environment – all at a cost savings to consumers.

The new law contains a provision to ensure that consumers benefit by automatically waiving the ethanol-blended fuel requirement if it is more expensive than petroleum-based gasoline at point of purchase. Aviation fuel and premium grade fuels are also exempted. With this law, Missouri becomes the fourth state in the nation to enact an E-10 standard.

A recent University of Missouri study has shown that the economic impact, when Missouri's ethanol production capacity reaches 350 million gallons per year, will include maintaining 257 full-time jobs and creating a net increase in total value to Missouri's economy of \$373 million. This production threshold is estimated to be met with the three operational plants at the time of the study, an expansion of one of those facilities, and the construction of three more plants. Since the release of the study, one more plant is now operational.

Renewable Fuels Funding in 2006

In Fiscal Year 2007, Governor Blunt recommended and secured full funding for both the Missouri Qualified Biodiesel Producer Incentive Fund and Missouri Qualified Fuel Ethanol Producer Incentive Fund, including \$2.3 million for back payments due to farmers from the ethanol producer fund for production in prior years. During his administration, the Governor has also secured:

- \$6.3 million in Fiscal Year 2007 for current ethanol production incentive payments.
- \$5.3 million in Fiscal Year 2007 for current biodiesel production incentive payments.
- \$5.3 million in Fiscal Year 2006 for ethanol production incentive payments.
- \$2.8 million in Fiscal Year 2006 for back payments due to farmers for production in prior years.
- Legislation to allow the Missouri Qualified Biodiesel Producer Incentive Fund to receive state general revenue.

Eminent Domain Legislation

Governor Blunt joined many other Missourians in his belief that the *Kelo v. New London* case was decided incorrectly by the Supreme Court. With that decision, the Supreme Court dealt a blow to property rights. The Governor agreed with the dissenting justices; the court's decision effectively erased the Public Use Clause from the United States Constitution.

This decision left it to states to take action on this topic in order to protect the rights of property owners. Just four days after the court's decision, the Governor announced his intention to form a taskforce of individuals from across the state, all of whom had an interest in eminent domain for various reasons. These individuals conducted a series of public meetings and from this process provided 18 recommendations to reform Missouri's eminent domain laws and protect property rights. Sixteen of the taskforce's recommendations were included in the law that Governor Blunt signed in July 2006.

Eminent Domain - House Bill 1944

- Rejects the findings of the *Kelo v. New London* case and prohibits eminent domain solely for economic development purposes.
- Prohibits classifying farmland as blighted for eminent domain purposes.
- Contains early notice provisions to property owners whenever condemning authorities are considering the use of eminent domain.
- Requires condemning authorities to provide property owners a "landowner's bill of rights" to educate property owners on the eminent domain process.
- Requires condemning authorities to negotiate in good faith and provides penalties when they fail to do so.
- Expands "just compensation" to include additional factors beyond fair market value, such as heritage value and homestead taking.
- Requires condemning authorities to pay relocation costs to persons who are displaced by eminent domain.
- Requires condemning authorities to determine blight on a parcel-by-parcel basis rather than on an area basis.
- Reforms the process of acquiring easements to give property owners increased protections.
- Creates a state office of ombudsman to assist citizens by providing free consultations and information on the eminent domain process.

Missouri's Quality Systems Assessment Program for Livestock

Under Governor Blunt's leadership, Missouri was the first state in the nation to be certified by the U.S. Department of Agriculture for a beef quality assurance program allowing producers to sell source-and-age verified cattle with third-party verification. The voluntary program allows consumers to track their beef products from farm to fork. Nearly 1,600 beef producers are enrolled in the program, earning as much as a \$40 per-head premium.

Importantly, these cattle also satisfy the export entry requirements for Asian markets. Agriculture department director Fred Ferrell traveled to Taiwan & Japan in January 2006 to promote Missouri beef. During his visit, the director encouraged Asian beef buyers to come to Missouri to examine the quality of our beef cattle. In May 2006, 16 beef buyers participated in a tour of Missouri cattle ranches. The trip was a success; partnerships are currently being developed to ship Missouri beef to Asia.

The Success of Missouri's Agricultural and Small Business Development Authority (MASBDA)

Financial assistance given to agricultural enterprises in 2006:

- Over \$2.3 million in loans through the Beginning Farmer Loan Program.
- Over \$1 million in loan guarantees through the Single-Purpose Animal Facilities Loan Guarantee Program.
- Over \$400,000 in loans through the Animal Waste Treatment System Loan Program.
- Over \$1.7 million in grants through the Missouri Value-Added Grant Program.
- Over \$16 million in loan guarantees through the Missouri Value-Added Loan Guarantee Program.
- Over \$4.3 million in tax credits issued through the New Generation Cooperative Incentive Tax Credit Program.
- Over \$1 million in loans through the Family Farm Breeding Livestock Program (new in 2006).